

**REPORT**  
**OF**  
**THE STUDY GROUP**  
**ON**  
**BUDGETING & ACCOUNTING**  
**PROCEDURE**  
**OF**  
**PANCHAYATI RAJ INSTITUTIONS**



**DEPARTMENT OF COMMUNITY DEVELOPMENT &  
COOPERATION**  
**GOVERNMENT OF INDIA**  
**NEW DELHI**

## CONTENTS

CHAPTER	SUBJECT	PAGE
<b>PART I</b>		
I	Introductory .. .. .	1
II	Existing Panchayati Raj System .. .. .	5
III	Resources of Panchayati Raj Institutions .. .. .	7
IV	Basic Considerations .. .. .	9
V	Budgetary Procedure .. .. .	21
VI	Flow of Funds—Taxes .. .. .	24
VII	Flow of Funds—Grants .. .. .	27
VIII	Accounting Procedure .. .. .	30
IX	Audit .. .. .	32
	Summary of Main Conclusions and Recommendations .. .. .	37
<b>APPENDICES</b>		
I	Questionnaires issued by the Study Group .. .. .	47
II	List of types of schemes undertaken by (A) Panchayat Samitis/ Block Agencies and (B) Gram Panchayats, in various States	49
III	A Note on the formulation of Panchayat Development Schematic Budget in Madras State .. .. .	53
IV	Form of Quarterly Expenditure Reports by Samitis/Blocks ..	57
V	Form of Budget Estimates: (A) for Panchayats, (B) for Samitis, (C) for Parishads .. .. .	58
VI	List and Forms of Basic Accounts Registers .. .. .	64
VII	A Note on the maintenance of some Basic Accounts Registers ..	80
VIII	Form of Monthly Account .. .. .	83
IX	Form of Annual Account .. .. .	84
<b>PART II</b>		
	Summary of replies to the Questionnaires received from the States	
	(A) In respect of Panchayat Samitis/Blocks .. .. .	85
	(B) In respect of Gram Panchayats .. .. .	117